



General Assembly

February Session, 2022

Raised Bill No. 326

LCO No. 2210



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

***AN ACT LOWERING THE MILL RATE CAP FOR MOTOR VEHICLE
PROPERTY TAX AND CONCERNING REIMBURSEMENTS TO
MUNICIPALITIES FOR LOST REVENUE.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 12-71e of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2022, and applicable to assessment years commencing on*
4 *or after October 1, 2022*):

5 (a) Notwithstanding the provisions of any special act, municipal
6 charter or home rule ordinance, (1) for the assessment year commencing
7 October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills,
8 [and] (2) for the assessment [year] years commencing October 1, 2017,
9 [and each assessment year thereafter] to October 1, 2020, inclusive, the
10 mill rate for motor vehicles shall not exceed 45 mills, and (3) for the
11 assessment year commencing October 1, 2021, and each assessment year
12 thereafter, the mill rate for motor vehicles shall not exceed 30 mills.

13 (b) Any municipality or district may establish a mill rate for motor
14 vehicles that is different from its mill rate for real property and personal

15 property other than motor vehicles to comply with the provisions of this
16 section. No district or borough may set a motor vehicle mill rate that if
17 combined with the motor vehicle mill rate of the town, city, consolidated
18 town and city or consolidated town and borough in which such district
19 or borough is located would result in a combined motor vehicle mill rate
20 (1) above 39 mills for the assessment year commencing October 1, 2016,
21 [or] (2) above 45 mills for the assessment [year] years commencing
22 October 1, 2017, to October 1, 2020, inclusive, or (3) above 30 mills for
23 the assessment year commencing October 1, 2021, and each assessment
24 year thereafter.

25 (c) Notwithstanding the provisions of any special act, municipal
26 charter or home rule ordinance, a municipality or district that set a
27 motor vehicle mill rate prior to October 31, 2017, for the assessment year
28 commencing October 1, 2016, may, by vote of its legislative body, or if
29 the legislative body is a town meeting, the board of selectmen, revise
30 such mill rate to meet the requirements of this section, provided such
31 revision occurs not later than December 15, 2017.

32 (d) Notwithstanding the provisions of section 12-112, any board of
33 assessment appeals of a municipality that mailed or distributed, prior to
34 October 31, 2017, bills to taxpayers for motor vehicle property taxes
35 based on assessments made for the assessment year commencing
36 October 1, 2016, shall hear or entertain any appeals related to such
37 assessments not later than December 15, 2017.

38 (e) For the purposes of this section, "municipality" means any town,
39 city, borough, consolidated town and city, consolidated town and
40 borough and "district" means any district, as defined in section 7-324.

41 Sec. 2. Subsection (c) of section 4-66*l* of the 2022 supplement to the
42 general statutes is repealed and the following is substituted in lieu
43 thereof (*Effective October 1, 2022*):

44 (c) (1) For the fiscal year ending June 30, 2022, [and each fiscal year
45 thereafter,] motor vehicle property tax grants to municipalities that
46 impose mill rates on real property and personal property other than

47 motor vehicles greater than 45 mills or that, when combined with the
48 mill rate of any district located within the municipality, impose mill
49 rates greater than 45 mills, shall be made in an amount equal to the
50 difference between the amount of property taxes levied by the
51 municipality and any district located within the municipality on motor
52 vehicles for the assessment year commencing October 1, 2017, and the
53 amount such levy would have been if the mill rate on motor vehicles for
54 said assessment year was equal to the mill rate imposed by such
55 municipality and any district located within the municipality on real
56 property and personal property other than motor vehicles.

57 [(2) Not later than fifteen calendar days after receiving a property tax
58 grant pursuant to this section, the municipality shall disburse to any
59 district located within the municipality the amount of any such property
60 tax grant that is attributable to the district.]

61 (2) For the fiscal year ending June 30, 2023, motor vehicle property
62 tax grants shall be made to:

63 (A) Municipalities that imposed mill rates greater than 30 mills on
64 real property and personal property other than motor vehicles for the
65 preceding fiscal year, in an amount equal to the difference between (i)
66 the amount of property taxes the municipality would have levied on
67 motor vehicles for the preceding fiscal year if the mill rate imposed on
68 motor vehicles for such year was 30 mills, and (ii) the amount of
69 property taxes the municipality would have levied on motor vehicles
70 for the preceding fiscal year if the mill rate imposed on motor vehicles
71 for such year was equal to the mill rate imposed on real property and
72 personal property other than motor vehicles for such year; and

73 (B) Districts that imposed mill rates that, when combined with the
74 mill rate of the municipality in which the district is located, were greater
75 than 30 mills on real property and personal property other than motor
76 vehicles for the preceding fiscal year, in an amount equal to the
77 difference between (i) the amount of property taxes the district would
78 have levied on motor vehicles for the preceding fiscal year if the mill

79 rate imposed on motor vehicles for such year, when combined with the
80 mill rate imposed on motor vehicles for such year by the municipality
81 in which the district is located, was 30 mills, and (ii) the amount of
82 property taxes the district would have levied on motor vehicles for the
83 preceding fiscal year if the mill rate imposed on motor vehicles for such
84 year, when combined with the mill rate imposed on motor vehicles for
85 such year by the municipality in which the district is located, was equal
86 to the mill rate imposed by the district on real property and personal
87 property other than motor vehicles for such year.

88 (3) For the fiscal year ending June 30, 2024, motor vehicle property
89 tax grants shall be made to:

90 (A) Municipalities that imposed mill rates greater than 30 mills on
91 real property and personal property other than motor vehicles for the
92 preceding fiscal year, in an amount equal to eighty per cent of the
93 difference between (i) the amount of property taxes the municipality
94 would have levied on motor vehicles for the preceding fiscal year if the
95 mill rate imposed on motor vehicles for such year was 30 mills, and (ii)
96 the amount of property taxes the municipality would have levied on
97 motor vehicles for the preceding fiscal year if the mill rate imposed on
98 motor vehicles for such year was equal to the mill rate imposed on real
99 property and personal property other than motor vehicles for such year;
100 and

101 (B) Districts that imposed mill rates that, when combined with the
102 mill rate of the municipality in which the district is located, were greater
103 than 30 mills on real property and personal property other than motor
104 vehicles for the preceding fiscal year, in an amount equal to eighty per
105 cent of the difference between (i) the amount of property taxes the
106 district would have levied on motor vehicles for the preceding fiscal
107 year if the mill rate imposed on motor vehicles for such year, when
108 combined with the mill rate imposed on motor vehicles for such year by
109 the municipality in which the district is located, was 30 mills, and (ii) the
110 amount of property taxes the district would have levied on motor
111 vehicles for the preceding fiscal year if the mill rate imposed on motor

112 vehicles for such year, when combined with the mill rate imposed on
113 motor vehicles for such year by the municipality in which the district is
114 located, was equal to the mill rate imposed by the district on real
115 property and personal property other than motor vehicles for such year.

116 (4) For the fiscal year ending June 30, 2025, motor vehicle property
117 tax grants shall be made to:

118 (A) Municipalities that imposed mill rates greater than 30 mills on
119 real property and personal property other than motor vehicles for the
120 preceding fiscal year, in an amount equal to sixty per cent of the
121 difference between (i) the amount of property taxes the municipality
122 would have levied on motor vehicles for the preceding fiscal year if the
123 mill rate imposed on motor vehicles for such year was 30 mills, and (ii)
124 the amount of property taxes the municipality would have levied on
125 motor vehicles for the preceding fiscal year if the mill rate imposed on
126 motor vehicles for such year was equal to the mill rate imposed on real
127 property and personal property other than motor vehicles for such year;
128 and

129 (B) Districts that imposed mill rates that, when combined with the
130 mill rate of the municipality in which the district is located, were greater
131 than 30 mills on real property and personal property other than motor
132 vehicles for the preceding fiscal year, in an amount equal to sixty per
133 cent of the difference between (i) the amount of property taxes the
134 district would have levied on motor vehicles for the preceding fiscal
135 year if the mill rate imposed on motor vehicles for such year, when
136 combined with the mill rate imposed on motor vehicles for such year by
137 the municipality in which the district is located, was 30 mills, and (ii) the
138 amount of property taxes the district would have levied on motor
139 vehicles for the preceding fiscal year if the mill rate imposed on motor
140 vehicles for such year, when combined with the mill rate imposed on
141 motor vehicles for such year by the municipality in which the district is
142 located, was equal to the mill rate imposed by the district on real
143 property and personal property other than motor vehicles for such year.

144 (5) For the fiscal year ending June 30, 2026, motor vehicle property
145 tax grants shall be made to:

146 (A) Municipalities that imposed mill rates greater than 30 mills on
147 real property and personal property other than motor vehicles for the
148 preceding fiscal year, in an amount equal to forty per cent of the
149 difference between (i) the amount of property taxes the municipality
150 would have levied on motor vehicles for the preceding fiscal year if the
151 mill rate imposed on motor vehicles for such year was 30 mills, and (ii)
152 the amount of property taxes the municipality would have levied on
153 motor vehicles for the preceding fiscal year if the mill rate imposed on
154 motor vehicles for such year was equal to the mill rate imposed on real
155 property and personal property other than motor vehicles for such year;
156 and

157 (B) Districts that imposed mill rates that, when combined with the
158 mill rate of the municipality in which the district is located, were greater
159 than 30 mills on real property and personal property other than motor
160 vehicles for the preceding fiscal year, in an amount equal to forty per
161 cent of the difference between (i) the amount of property taxes the
162 district would have levied on motor vehicles for the preceding fiscal
163 year if the mill rate imposed on motor vehicles for such year, when
164 combined with the mill rate imposed on motor vehicles for such year by
165 the municipality in which the district is located, was 30 mills, and (ii) the
166 amount of property taxes the district would have levied on motor
167 vehicles for the preceding fiscal year if the mill rate imposed on motor
168 vehicles for such year, when combined with the mill rate imposed on
169 motor vehicles for such year by the municipality in which the district is
170 located, was equal to the mill rate imposed by the district on real
171 property and personal property other than motor vehicles for such year.

172 (6) For the fiscal year ending June 30, 2027, and each fiscal year
173 thereafter, motor vehicle property tax grants shall be made to:

174 (A) Municipalities that imposed mill rates greater than 30 mills on
175 real property and personal property other than motor vehicles for the

176 preceding fiscal year, in an amount equal to twenty per cent of the
177 difference between (i) the amount of property taxes the municipality
178 would have levied on motor vehicles for the preceding fiscal year if the
179 mill rate imposed on motor vehicles for such year was 30 mills, and (ii)
180 the amount of property taxes the municipality would have levied on
181 motor vehicles for the preceding fiscal year if the mill rate imposed on
182 motor vehicles for such year was equal to the mill rate imposed on real
183 property and personal property other than motor vehicles for such year;
184 and

185 (B) Districts that imposed mill rates that, when combined with the
186 mill rate of the municipality in which the district is located, were greater
187 than 30 mills on real property and personal property other than motor
188 vehicles for the preceding fiscal year, in an amount equal to twenty per
189 cent of the difference between (i) the amount of property taxes the
190 district would have levied on motor vehicles for the preceding fiscal
191 year if the mill rate imposed on motor vehicles for such year, when
192 combined with the mill rate imposed on motor vehicles for such year by
193 the municipality in which the district is located, was 30 mills, and (ii) the
194 amount of property taxes the district would have levied on motor
195 vehicles for the preceding fiscal year if the mill rate imposed on motor
196 vehicles for such year, when combined with the mill rate imposed on
197 motor vehicles for such year by the municipality in which the district is
198 located, was equal to the mill rate imposed by the district on real
199 property and personal property other than motor vehicles for such year.

200 (7) Not later than fifteen calendar days after receiving a property tax
201 grant pursuant to this section, the municipality shall disburse to any
202 district located within the municipality the amount of any such property
203 tax grant that is attributable to the district.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2022, and applicable to assessment years commencing on or after October 1, 2022</i>	12-71e
Sec. 2	<i>October 1, 2022</i>	4-661(c)

Statement of Purpose:

To reduce the mill rate cap for motor vehicles and provide for a schedule of reimbursements for municipalities for lost revenue.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]